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SENATE

REPORT
No. 97-439

AUTHORIZING APPROPRIATIONS FOR THE FEDERAL ELECTION COMMISSION FOR FISCAL YEAR 1983

MAY 26 (legislative day, MAY 25), 1982.—Ordered to be printed

Mr. MATHIAS, from the Committee on Rules and Administration, submitted the following

REPORT

[To accompany H.R. 6256]

The Committee on Rules and Administration, to which was referred the bill (H.R. 6256) to authorize appropriations for the Federal Election Commission for fiscal year 1983, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill would authorize appropriations in the amount of $9,787,408 for the fiscal year ending September 30, 1983, for administration and enforcement of the Federal Election Campaign Act and related laws on presidential campaigns by the Federal Election Commission.

The authorization is $92,592 less than the amount recommended by the Office of Management and Budget and requested by the Federal Election Commission. The Commission originally sought $10.5 million but modified that earlier request and joined OMB in proposing $9,880,000.

In fiscal year 1982 the Senate Committee on Rules and Administration proposed an authorization of $9,746,000 in S. 1078, a bill now pending on the Senate calendar. The amount approved by the House for fiscal year 1983 in H.R. 6256 is thus only $41,408 more than that proposed by the Committee in S. 1078 for the previous fiscal year's funding.

The Commission currently operates under a continuing resolution that allows $8,990,000 in appropriations for fiscal year 1982. The Commission has requested a supplemental appropriation to cover half the cost of salary increases during fiscal year 1982. If the supplemental appropriation bill is enacted, funds available to the Commission in fiscal year 1982 will be increased to $9,174,000.

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The Commission also operated under a continuing resolution in fiscal year 1981 when appropriations amounted to $9,283,000, increased to $9,662,000 through enactment of a $379,000 pay supplemental appropriation bill.

Committee Hearing

Commission witnesses appeared before the Committee regarding their authorization request on April 22. Chairman Frank P. Reiche and Commissioners Danny Lee McDonald and Joan D. Aikens, the chair and vice-chair of the FEC Budget Task Force, reviewed their budgetary situation and plans for the coming fiscal year which begins only one month before the 1982 Congressional elections. A summary of their discussion and comments follows:

Budgetary restraints combined with a review of staff workloads resulted in a decision to reduce the number of audit positions from 32 to 16 effective April 1, 1982. No additional reductions in staff are contemplated this year. Commission witnesses referred to the possibility of furloughing the entire staff during the concluding weeks of fiscal year 1982 if the supplemental pay request of $184,000 is not approved by the Congress.

The Commission plans to partially rebuild the Audit Division and to expand "outreach activities" under its 1983 budget proposal. The FEC plans to conduct a series of campaign seminars for candidates and campaign personnel in various parts of the country. Limited funds have precluded the Commission's holding such seminars in places other than Washington, D.C., during the current fiscal year.

The proposed budget would also allow the Clearinghouse on Election Administration to undertake limited activities. The Clearinghouse, virtually without funds during 1982, would conduct a number of state workshops on election administration. It would also enter into one contract for a study of the application of computer technology to election administration. A second phase of a study on voting equipment standards would also commence under the 1983 budget proposal.

At the hearing Commissioners expressed confidence that the $9,880,000 requested for the next fiscal year would permit the review of an anticipated 26,000 campaign finance reports and 21,000 amendments to the reports during the coming fiscal year.

Committee Action

The funding for this small agency has grown modestly nearly every year since it was established in 1975. From a budget of $6,180,000 in 1977, total funding reached a peak in 1981 of $9,662,000. FEC resources declined by $672,000 in the following fiscal year to $8,990,000.

Personnel costs constitute at least 70 percent of the FEC budget. As these personnel costs have risen the number of staff members has steadily declined. For 1983, the FEC estimates a personnel level of 231 full time equivalent employees with costs approximating $6.8 million. That compares with 261 FEC employees in fiscal year 1981 at a cost of $6.9 million. In fiscal 1980, personnel costs were $6.4 million and the staff numbered 273.

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The Committee on Rules and Administration believes that the OMB recommendation of $9,880,000 is sound and the FEC request justified. Nevertheless between the time of the Committee hearing and the mark-up, the House on May 10 passed H.R. 6256, which reduced the FEC request by $92,592. The Committee on Rules and Administration believes the level of funding in the House bill would not have a detrimental effect on the FEC's operations and plans for fiscal year 1983. The Committee believes that with a modest effort the FEC will be able to carry out all statutory duties for the coming fiscal year despite the small reduction in the amount requested.

Committee members also expressed confidence that the $92,000 reduction in funds authorized below the amount requested should not affect the overall plans for administering the federal election campaign laws during the coming year. Committee members suggest that the reduced funding should not result in the elimination of any single planned function, such as the operations of the Clearinghouse on Election Administration; rather savings could be achieved in such broad categories as supplies, materials, staff training and other areas affecting the Commission as a whole.

Although the Commission is subject to an annual authorization process, only one authorization measure has been enacted for the FEC in the last 4 years. Only twice in the last four years has the Congress approved an appropriation measure covering the FEC other than the funding provided through a continuing resolution. With more advance notice of the level of funding that it can expect, the FEC, in the opinion of the committee, could use its resources more effectively and more efficiently. By approving the House-passed authorization bill, H.R. 6256, the committee believes it is taking a step toward achieving timely approval of an authorization measure.

Cost Estimate

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the estimate of costs of this measure, prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act, is as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 24, 1982.

Hon. Charles McC. Mathias, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Mr. Chairman: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 6256, a bill to authorize appropriations for the Federal Election Commission for fiscal year 1983.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Raymond C. Scheppach
(For Alice M. Rivlin, Director).

Congressional Budget Office Cost Estimate

May 24, 1982.

1. Bill number: H.R. 6256.

2. Bill title: A bill to authorize appropriations for the Federal Election Commission for fiscal year 1983.

3. Bill status: As ordered reported by the Senate Committee on Rules and Administration, May 21, 1982.

4. Bill purpose: The bill amends the Federal Election Commission Act of 1971 to authorize the appropriation of $9.8 million to the Federal Election Commission for fiscal year 1983.

5. Cost estimate:

	Millions
Authorization level:	
Fiscal year:	
1983	$9.8
1984	-----
1985	-----
1986	-----
1987	-----
Estimated outlays:	
Fiscal year:	
1983	9.0
1984	0.8
1985	-----
1986	-----
1987	-----

The costs of this bill fall within budget function 800.

6. Basis of estimate: The authorization level is specified in the bill. This estimate assumes that the amount authorized will be appropriated. The estimate of annual outlays is based on historical spending patterns.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 6, 1982, the Congressional Budget Office prepared a cost estimate for H.R. 6256, an identical bill, as ordered reported by the House Committee on Administration. This estimate is identical to the one prepared for the House version of the bill.

9. Estimate prepared by: Judith L. Walker.

10. Estimate approved by:

C. G. Nuckols
(For James L. Blum,
Assistant Director for Budget Analysis).

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the regulatory impact which would be incurred in carrying out the bill is as follows (supplied by the Federal Election Commission):

AN ESTIMATE OF THE NUMBER OF INDIVIDUALS AND BUSINESSES TO BE REGULATED BY THE COMMISSION, AND A DETERMINATION OF THE GROUPS AND CLASSES OF SUCH INDIVIDUALS AND BUSINESSES

The Commission regulates seven categories of persons and political committees: Presidential candidates and committees; candidates and

committees engaged in races for House and Senate seats; party-related committees; non-party related political committees; individuals or committees making independent expenditures; delegates and delegate committees; and persons making expenditures for communication costs. The table below indicates the number of filers in each category, the number of reports and statements filed by each, and the gross receipts and expenditures for the period covering calendar year 1981.

	Total filers existing in 1981	Filers terminated as of Dec. 31, 1981	Filers waived as of Dec. 31, 1981	Continuing filers as of Dec. 31, 1981	Number of report and statements in 1981	Gross receipts 1981	Gross expenditures in 1981
Presidential					535	$6,132,440	$12,414,390
Candidates	140	120	1	19			
Committees	192	30	0	162			
Senate					1,012	40,183,550	24,362,080
Candidates	476	271	2	203			
Committees	546	97	0	449			
House					4,261	39,421,617	30,053,349
Candidates	1,894	1,150	4	740			
Committees	2,099	445	0	1,653			
Party	431	131	0	562	1,166	205,656,414	158,808,192
National level committees	53	9	0	44			
State level committees	189	44	0	145			
Local level committees	315	76	0	239			
Convention committees	5	2	0	3			
Delegates	23	10	0	13	25	6,248	7,482
Nonparty	3,034	133	0	2,901	9,788	81,914,050	54,796,292
Labor committees	340	22	0	318			
Corporate committees	1,363	36	0	1,327			
Membership, trade and other committees	1,331	75	0	1,256			
Communication cost filers	63	NA	NA	NA	87	NA	37,332
Independent expenditures by persons other than political committees	193	NA	NA	NA	210	NA	133,270

THE ECONOMIC IMPACT OF SUCH REGULATIONS ON THE INDIVIDUALS, CONSUMERS AND BUSINESS AFFECTED

The act is so specific in its requirements that the major economic impact on affected individuals and organizations is directly imposed by the act, not the implementing regulations.

THE IMPACT ON THE PERSONAL PRIVACY OF THE INDIVIDUALS AFFECTED

Because a purpose of the Federal Election Campaign Act is to provide for the disclosure of contributions and expenditures made in campaigns for Federal office, there is obviously some impact on privacy. Congress felt that this slight impact on privacy was warranted in order to promote the policy of disclosure. Again, it is the act, rather than implementing regulations, which produces this result.

A DETERMINATION OF THE AMOUNT OF ADDITIONAL PAPERWORK THAT WILL RESULT FROM REGULATIONS TO BE PROMULGATED BY THE COMMISSION DURING FISCAL YEAR 1983

The Commission is not certain at this time what, if any, regulations will be promulgated in Fiscal Year 1983. The Commission has decided to withhold promulgation of any major regulations until after the 1982 congressional elections. The Commission continues to place a high

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priority upon the reduction of unnecessary paperwork, so a major goal of any revised regulations would be to reduce the burden on those regulated by the act.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, H.R. 6256, as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

SECTION 439C OF TITLE 2, UNITED STATES CODE

§ 439c. Authorization of appropriations

There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of title 26, not to exceed $5,000,000 for the fiscal year ending June 30, 1975. There are authorized to be appropriated to the Commission $6,000,000 for the fiscal year ending June 30, 1976, $1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $6,000,000 for the fiscal year ending September 30, 1977, $7,811,500 for the fiscal year ending September 30, 1978, [and] $9,400,000 for the fiscal year ending September 30, 1981, *and $9,787,408 for the fiscal year ending September 30, 1983.*

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